

LETTER OF AGREEMENT

This agreement is entered into as of this 7th day of June, 2023, by and between the State of South Dakota, Governor's Office of Economic Development ("GOED") and Dean Entertainment Group, LLC ("Promoter").

Scope of Agreement

The State of South Dakota understands the positive impact on the economy from hosting events in the state that are in the national spotlight. Small business and tourism related business thrive from the related attendee spending, and such events showcase South Dakota to other organizations considering whether to host national events in our state. The Governor's Cup rodeo is proposed to be the only one in the nation, and the last possible event to qualify for the Professional Rodeo Cowboys Association, Inc's ("PRCA") National Finals Rodeo TM.

Therefore, by and through this Agreement, the State of South Dakota has agreed to provide funding to assist with costs related to promoting an annual PRCA-sanctioned rodeo and related events in Sioux Falls, South Dakota, tentatively to be called the "Road to Sioux Falls" (the "Event"). .

The term of this Agreement shall commence May 2, 2022 and end December 31, 2025.

PROMOTER

PROMOTER commitments:

- Promote and conduct the Event in Sioux Falls, South Dakota in calendar years 2023, 2024, and 2025.
- Provide documentary evidence of the payment of costs incurred for the promotion of the Event for the years 2023, 2024, and 2025.
- Provide evidence of matching funds provided by or through the Sioux Falls community for promotion of the Event for the years 2023, 2024, and 2025, and the expenditure of those funds for promotion of the Event.
- For each year covered under this Agreement, provide post-Event information on the number of attendees, total ticket sales, and other information as GOED may reasonably request for the purposes of estimating the annual economic impact of the Event.

Governor's Office of Economic Development

GOED commitments:

- For 2023, make payment in the amount of \$750,000 to PROMOTER to cover costs related to promoting the Event. Payment will be made within thirty days after receipt by GOED of documentary proof reasonably acceptable to GOED of eligible expenses actually paid for the promotion of the Event. An additional payment of up to \$250,000 will be made on a one-to-one matching basis with funds provided by or through the Sioux Falls community. The matching funds will be paid within thirty days of receipt

by GOED of proof reasonably acceptable to GOED of the amount of matching funds provided and the expenditure of those funds and the amount to be reimbursed by GOED for promotion of the Event.

- For each of the 2024 and 2025 Events, make payment in the amount of \$500,000 to PROMOTER to cover costs related to promoting the Event. The 2024 payment will be made within thirty days of receipt by GOED of documentary proof reasonably acceptable to GOED of eligible expenses actually paid for promotion of the Event. The 2025 payment will be made within thirty days of receipt of documentary proof reasonably acceptable to GOED of eligible expenses actually paid for promotion of the Event.
- An additional payment of up to \$250,000 will be made on account of the 2024 and 2025 Events on a one-to-one matching basis with funds provided by or through the Sioux Falls community. The matching funds will be paid within thirty days of receipt by GOED of proof sufficient to GOED of the amount of matching funds provided and the expenditure of those funds and the amount to be reimbursed by GOED for promotion of the Event.
- The maximum obligation of GOED hereunder is \$2,500,000.

SDCL 1-56-10

By its signature on this Letter Agreement, PROMOTER hereby provides the following attestations as required by SDCL 1-56-10:

- (1) A conflict of interest policy is enforced within the PROMOTER's organization;
- (2) The Internal Revenue Service Form 990 has been filed, if applicable, in compliance with federal law, and is displayed immediately after filing on PROMOTER's website;
- (3) An effective internal control system is employed by PROMOTER's organization; and
- (4) If applicable, PROMOTER is in compliance with the federal Single Audit Act, in compliance with § [4-11-2.1](#), and audits are displayed on PROMOTER's website.

Other Terms and Conditions

1. While performing services funded hereunder, PROMOTER is a grantee only, and is not a contractor, officer, agent, or employee of GOED or the State of South Dakota. PROMOTER will not hold itself out as an officer, agent, employee, contractor, or subcontractor of GOED or any other agency or instrumentality of the State of South Dakota.

2. This Letter Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature. This Letter Agreement will be terminated by GOED if appropriated funds or grant expenditure authority is discontinued. Termination for these reasons is not a default by GOED nor does it give rise to a claim against GOED.

3. Either party may terminate this Letter Agreement at any time without cause, in whole or in part, upon giving the other party 30 days' written notice of such termination.

4. If PROMOTER violates any term of this Letter Agreement, misuses funds granted hereunder, or otherwise breaches any term, covenant, or condition of this Letter Agreement or

applicable law, GOED may terminate this Letter Agreement and suspend further funding hereunder immediately upon notice to PROMOTER.

5. PROMOTER will immediately upon demand repay to GOED any funds granted hereunder which were used by PROMOTER or any of its officers, directors, employees, agents, or consultants in a manner not permitted hereunder or prohibited under applicable law. In addition, PROMOTER shall immediately upon demand reimburse GOED for attorney fees reasonably expended and costs and disbursements incurred in connection with the terms of this Letter Agreement.

6. If PROMOTER cancels or indefinitely postpones the 2024 event or 2025 Event, it shall not be liable to return funds received hereunder in connection with previous Events actually conducted or funds received hereunder in connection with expenses actually incurred before the Event was cancelled as provided above in the "PROMOTER" section of this Agreement.

7. The terms, covenants, and conditions of this Letter Agreement shall be construed under and governed by the laws of the State of South Dakota, without reference to the conflicts of law principles thereof. Any lawsuit arising out of or related to this Letter Agreement must be brought in the Circuit Court in and for Hughes County, South Dakota; PROMOTER hereby irrevocably consents to the jurisdiction of said Court and venue in Hughes County, South Dakota.

The parties signify their agreement effective the date above first written by their signature affixed below.


Dean Entertainment Group, LLC

By: Rorey Lemmel
Rorey Lemmel

Its: General Manager

Date: 6/7/2023

South Dakota Governor's Office of
Economic Development


[Chris Schilken \(Jun 8, 2023 16:53 CDT\)](#)
Chris Schilken, Commissioner
711 E Wells Ave
Pierre, SD 57501

Date: Jun 8, 2023

Cinch Playoffs_FF1689

Final Audit Report

2023-06-08

Created:	2023-06-08
By:	Travis Dovre (travis.dovre@state.sd.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAAvFKpm6r1D2m1hKSaOyPI_b59GeSPeRRu

"Cinch Playoffs_FF1689" History

 Document created by Travis Dovre (travis.dovre@state.sd.us)

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 Document emailed to chris.schilken@sdgoed.com for signature

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 Email viewed by chris.schilken@sdgoed.com

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 Signer chris.schilken@sdgoed.com entered name at signing as Chris Schilken

2023-06-08 - 9:53:45 PM GMT- IP address: 174.198.64.193

 Document e-signed by Chris Schilken (chris.schilken@sdgoed.com)

Signature Date: 2023-06-08 - 9:53:47 PM GMT - Time Source: server- IP address: 174.198.64.193

 Agreement completed.

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